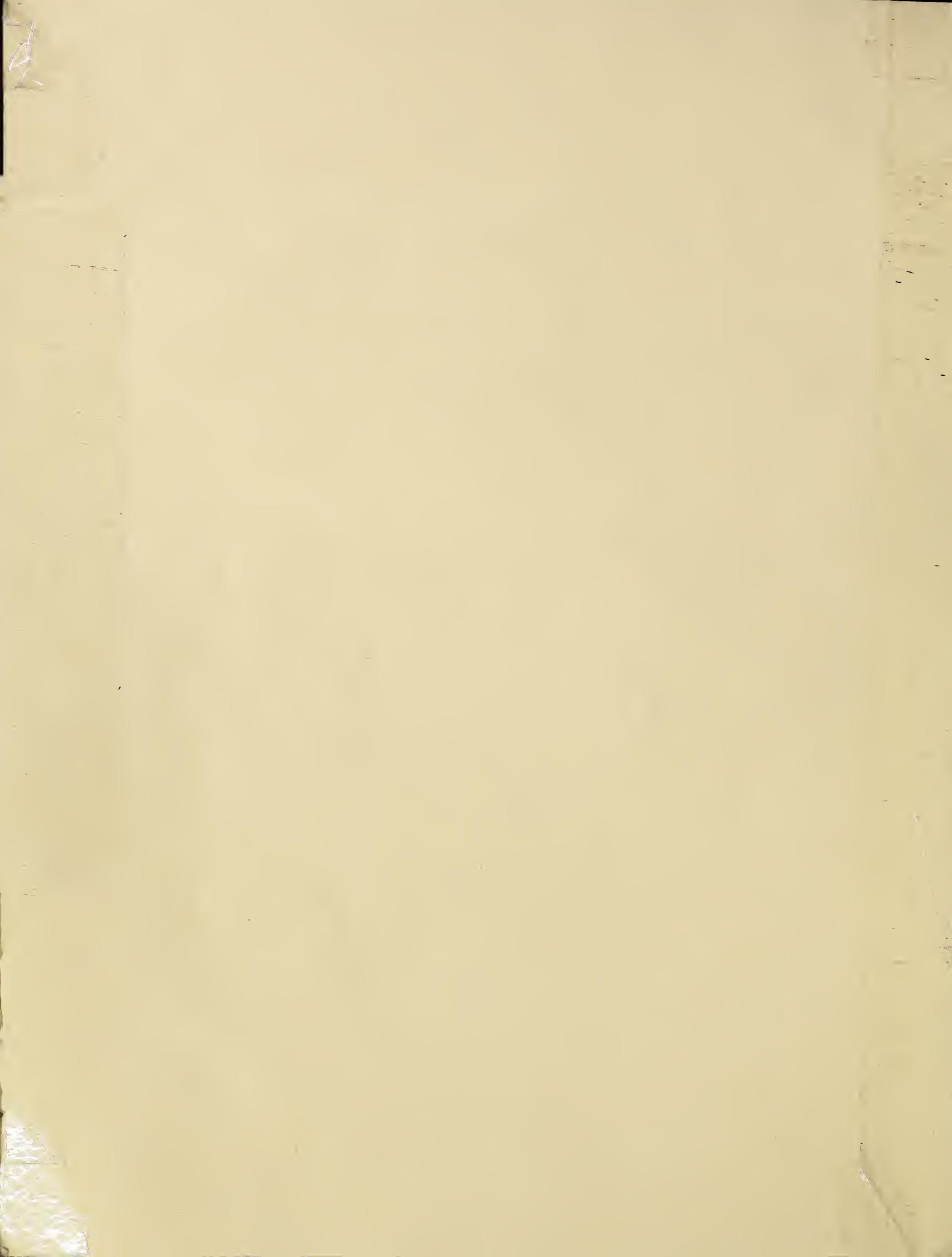


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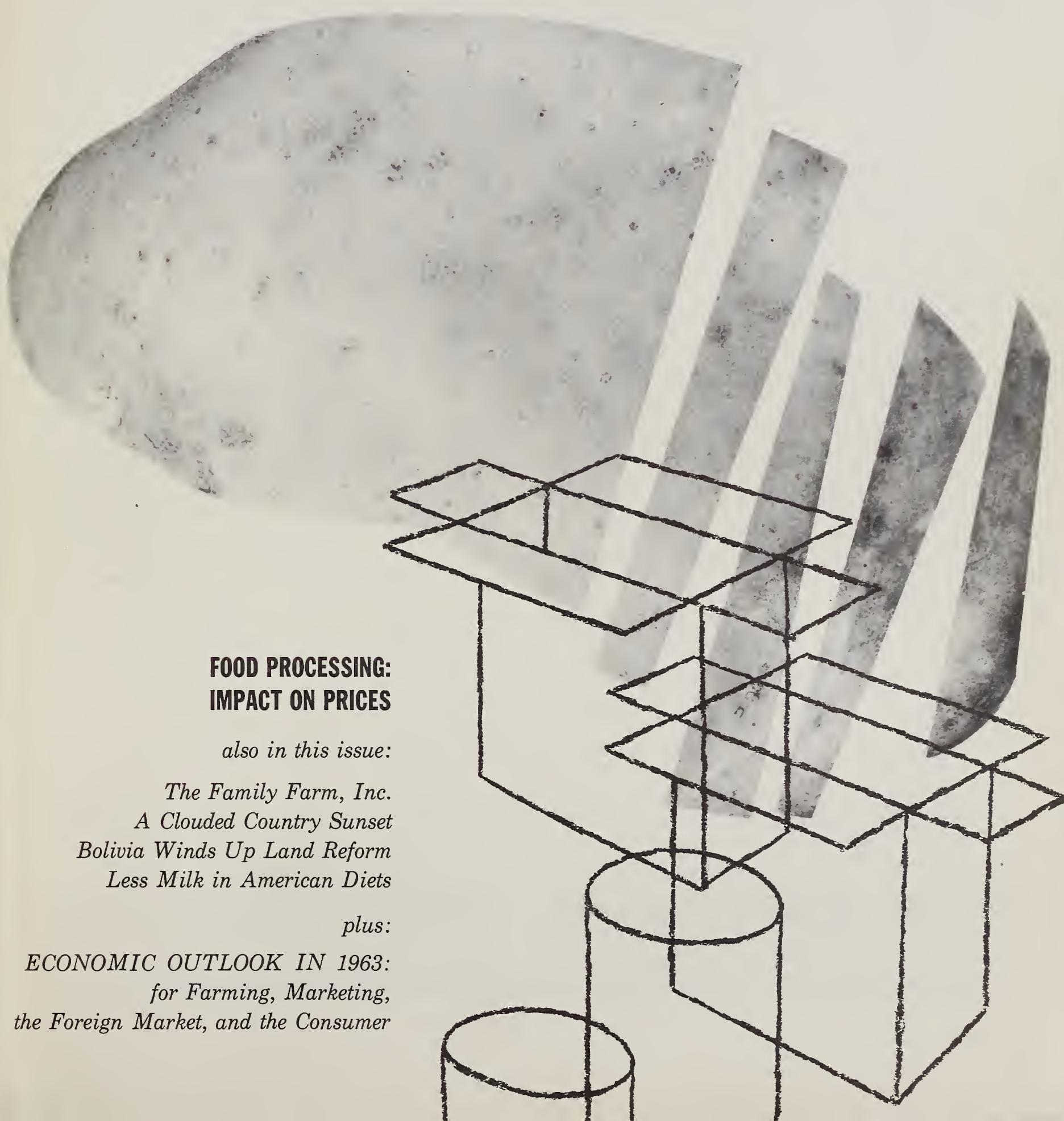


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# THE FARM INDEX | December 1962

ECONOMIC RESEARCH SERVICE • U. S. DEPARTMENT OF AGRICULTURE



**FOOD PROCESSING:  
IMPACT ON PRICES**

*also in this issue:*

*The Family Farm, Inc.*  
*A Clouded Country Sunset*  
*Bolivia Winds Up Land Reform*  
*Less Milk in American Diets*

*plus:*

**ECONOMIC OUTLOOK IN 1963:**  
*for Farming, Marketing,*  
*the Foreign Market, and the Consumer*

## ECONOMIC TRENDS

Item	Unit or base period	'57-'59 Average	1961		1962		
			Year	October	August	September	October
<b>Prices:</b>							
Prices received by farmers	1910-14=100	242	240	240	244	250	245
Crops	1910-14=100	223	226	226	229	232	226
Livestock and products	1910-14=100	258	251	252	256	266	261
Prices paid, interest, taxes and wage rates	1910-14=100	292	301	301	305	307	307
Family living items	1910-14=100	286	291	291	294	294	294
Production items	1910-14=100	262	266	265	268	271	271
Parity ratio		83	80	80	80	81	80
Wholesale prices, all commodities	1957-59=100	-	100.3	100.0	100.5	101.2	100.7
Commodities other than farm and food	1957-59=100	-	100.8	100.5	100.6	100.8	100.7
Farm products	1957-59=100	-	96.0	95.1	97.6	100.6	98.7
Food, processed	1957-59=100	-	100.6	100.4	101.5	103.3	101.5
Consumer price index, all items	1957-59=100	-	104.2	104.6	105.5	106.1	-
Food	1957-59=100	-	102.9	102.5	103.8	104.8	-
<b>Farm Food Market Basket:</b> <sup>1</sup>							
Retail cost	Dol.	-	1,060	1,054	1,067	1,085	-
Farm value	Dol.	-	404	396	412	425	-
Farm-retail spread	Dol.	-	656	658	655	660	-
Farmers' share of retail cost	Pct.	-	38	38	39	39	-
<b>Farm Income:</b>							
Volume of farm marketings	1947-49=100	123	136	201	144	155	205
Cash receipts from farm marketings	Mil. dol.	32,247	35,243	4,368	3,181	3,543	4,500
Crops	Mil. dol.	13,766	15,828	2,419	1,463	1,838	2,400
Livestock and products	Mil. dol.	18,481	19,415	1,949	1,718	1,705	2,100
Realized gross income <sup>2</sup>	Bil. dol.	-	39.9	-	-	40.5	-
Farm production expenses <sup>2</sup>	Bil. dol.	-	27.1	-	-	27.7	-
Realized net income <sup>2</sup>	Bil. dol.	-	12.8	-	-	12.8	-
<b>Agricultural Trade:</b>							
Agricultural exports	Mil. dol.	4,105	5,024	495	356	397	-
Agricultural imports	Mil. dol.	3,977	3,691	321	330	313	-
<b>Land Values:</b>							
Average value per acre	1947-49=100	-	<sup>3</sup> 175	<sup>4</sup> 177	<sup>4</sup> 186	-	-
Total value of farm real estate	Bil. dol.	-	<sup>3</sup> 131.8	<sup>4</sup> 133.2	<sup>4</sup> 140.1	-	-
<b>Gross National Product:</b> <sup>2</sup>							
Consumption <sup>2</sup>	Bil. dol.	456.7	518.7	-	-	555.5	-
Investment <sup>2</sup>	Bil. dol.	297.3	338.1	-	-	357.5	-
Government expenditures <sup>2</sup>	Bil. dol.	65.1	69.3	-	-	77.0	-
Net exports <sup>2</sup>	Bil. dol.	92.4	107.4	-	-	119.0	-
Bil. dol.	1.8	4.0	-	-	-	2.0	-
<b>Income and Spending:</b>							
Personal income	Bil. dol.	-	416.4	423.6	443.0	443.5	445.6
Disposable income <sup>2</sup>	Bil. dol.	321.3	363.6	-	-	384.1	-
Total retail sales, seasonally adjusted	Mil. dol.	-	18,234	18,577	19,569	19,662	20,071
Retail sales of food group, seasonally adjusted.	Mil. dol.	-	4,618	4,646	4,856	4,948	-
<b>Employment and Wages:</b>							
Total civilian employment, seasonally adjusted.	Mil.	-	66.8	66.8	68.2	67.9	67.9
Agricultural, seasonally adjusted	Mil.	-	5.5	5.5	5.2	5.1	5.0
Rate of unemployment, seasonally adjusted	Pct.	-	6.7	6.7	5.8	5.8	5.5
Work week in manufacturing, seasonally adjusted.	Hrs.	-	39.8	40.2	40.2	40.4	40.1
Hourly earnings in manufacturing	Dol.	-	2.32	2.34	2.37	2.40	2.40
<b>Industrial Production, seasonally adjusted</b>							
<b>Manufacturers' Sales and Inventories:</b>							
Total sales, seasonally adjusted	Mil. dol.	-	30,730	31,750	33,290	33,680	-
Total inventories	Mil. dol.	-	55,190	54,780	56,970	57,130	-
Total new orders	Mil. dol.	-	30,960	32,630	32,830	33,380	-

<sup>1</sup> Average annual quantities of farm food products based on purchases per wage-earner or clerical-worker family in 1952, estimated monthly. <sup>2</sup> Annual rates seasonally adjusted, third quarter. <sup>3</sup> As of March 1. <sup>4</sup> As of July 1.

Sources: U.S. Department of Agriculture (Farm Income Situation, Marketing

and Transportation Situation, Agricultural Prices, Foreign Agricultural Economics and Farm Real Estate Market Developments); U.S. Department of Commerce (Industry Survey, Business News Reports, Advance Retail Sales Report and Survey of Current Business); and U.S. Department of Labor (The Labor Force and Wholesale Price Index).

# THE AGRICULTURAL OUTLOOK

Little overall change in the demand, supply and prices of farm products is in prospect for 1963.

Farmers are likely to realize about the same net income in 1963 as the \$12.8 billion estimated for 1962. Gross returns are likely to go up a bit but gain will be cancelled by another increase in costs.

Here are highlights of the 1963 outlook as presented by ERS at the 40th Annual Outlook Conference in November:

**U.S. Market**—up about in line with population growth.

Analysis of the general economy points to modest gains in business activity in 1963. This means a further rise in consumer income, though less than this year.

**Exports**—to hold at about record 1961–62 level in fiscal 1963.

Increased exports are likely for soybeans and food fats and oils. Some slippage is in prospect for wheat and feed grains, mainly because of improved supply conditions abroad and slower rate of economic growth in major importing nations. Shipments under export programs will continue high.

**Farm Production**—held about level in the last three years; likely to be as large or a little larger in 1963 with normal weather.

## CONTENTS

	<i>Page</i>
THE FARM	5
MARKETING	9
THE FOREIGN MARKET	12
THE CONSUMER	14
RECENT PUBLICATIONS	15

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December 1962

Cattle slaughter in 1963 may rise as much as 3 percent above 1962. Numbers on farms continue to increase. Favorable relation between hog and corn prices is encouraging increased hog production. This fall's pig crop (to be marketed next spring) is expected to be 2 to 3 percent larger than a year earlier; spring crop may be up slightly more. Poultry production, down this year, will show sizeable increase. Egg production was up in 1962 and probably will rise a little in 1963. Milk production may set a new high, though percentage increase will be small.

### Stocks—down, in total.

Feed grain carryover at end of current season may fall as much as the 14 million ton drop of past season. Feed use will rise as livestock production goes up, and livestock product-feed price ratios continue favorable.

Wheat stocks may decline as much as 100 million bushels as domestic use and exports are expected to exceed 1962 production, which was reduced by the special wheat program.

In contrast to trend in grains, cotton stocks are likely to rise further in 1962–63. Increase also is expected for dairy products.

Net decline in carryover stocks will cut storage and interest cost to government. CCC investment in commodities acquired under price support programs is expected to be reduced again. But drop is likely to be smaller than \$380 million reduction of 1961–62.

**Prices Received**—slightly lower, on the average than in 1962.

Lower prices to farmers for livestock and products are expected because of increased marketings. Not much change is likely for crops.

### Prices Paid—slightly higher.

Price gains for production items plus continuation of steady rise in interest charges, taxes and depreciation will boost total production expenses of farmers above 1962.

**Income**—gross income slightly above 1962; net income about the same.

Receipts from sales of farm products in 1963 will total about the same as this year with changes for most commodities likely to be small. Increased sales of livestock products at lower prices mean only slight gain in returns. Little change in cash receipts from crops is foreseen. Government payments probably will again be up in 1963.

Rising production costs will absorb the small rise in gross income, leaving net realized by farm operators at about the 1961 and 1962 levels of \$12.8 billion.

1963 net will be divided among fewer farm people and fewer farms.

Per capita income of farm people, around a third of which comes from off-farm sources, is expected to set a record. Nevertheless, it will remain about 40 percent below per capita income of nonfarm people.

### COMMODITY HIGHLIGHTS

Farm prices for all **beef cattle** sold in 1963 may average slightly below this year. Cattle numbers are increasing about 2.5 million head this year, and slaughter in 1963 may total 2 or 3 percent above 1962.

**Hog** prices will increase seasonally into early 1963. However, they are likely to be below 1962 during most of next year because of an expected 2 to 3 percent gain in this year's fall pig crop, and a possible gain of about 4 percent in the 1963 spring pig crop.

**Sheep and lamb** prices next year probably will be above this year as slaughter will likely be less. Numbers are being reduced for third consecutive year. Expected sheep and lamb inventory of about 30 million head in January will be lowest since 1950.

Prices farmers received for **milk** averaged around 12 cents per hundredweight less than last year and are expected to decline further in 1963. The number of milk cows is declining faster than a year ago but production per cow continues to increase. Consequently, milk production is expected to rise to new high.

**Egg** production in 1963 is likely to slightly exceed 1962 volume. Prices to producers may average somewhat lower.

Many more **broilers** are likely to be raised in 1963 than in 1962, particularly in the early months of the year. This would probably result in lower prices to producers.

A larger **turkey** crop than in 1962 appears to be in prospect for 1963. However, frozen stocks of turkeys at the beginning of 1963 will be below a year earlier.

**Wheat** supplies for 1962-63 are nearly 10 percent below last year; production is estimated 140 million bushels less than a year earlier, and July 1 carryover was more than 100 million bushels below July 1, 1961, levels. Carryover on July 1, 1963, may be down as much as another 100 million bushels from this year. With smaller supplies and steady demand, season average price to farmers is likely to be above effective support. Changes in program may result in larger acreage in 1963 than in 1962.

Acreage controls and large-scale exports, principally under government programs, reduced carry-over of **rice** on August 1, 1962, to 5.3 million hundredweight—only about 15 percent of the record level of six years ago. With a return to acreage allotments, 1963 production may about equal domestic use plus exports.

**Feed grain** supply for 1962-63 is estimated at 212 million tons, down 6 percent from last year. Production under the 1962 Feed Grain Program is slightly smaller than under the 1961 Program and about 10 percent below the 1960 record. With requirements greater than production, prices of feed grains and high-protein feeds in 1962-63 may average near or a little above 1961-62 levels.

**Soybean** supplies for 1962-63 are estimated at a record 730 million bushels, 4 percent more than in 1961-62. Crushings are forecast at 450 million bushels, up about 3 percent from 1961-62, and exports, at 175 million bushels, up about 14 percent. This points to a carryover next October 1 of about the same as this year or about one month's requirements.

A further increase of a million bales in the **cotton** carryover is expected this season; the 1962 crop is a little larger than last year and U.S. mill consumption may drop to around 8.6 million bales—400,000 below a year earlier. Exports for 1962-63 are expected to be about the same as the 4.9 million bales exported in 1961-62.

Domestic **wool** consumption is expected to increase moderately in 1963, reflecting a continued increase in imports of wool textile products, a relatively stable mill use of apparel wool and an increase in mill use of carpet wool. U.S. shorn wool production will decline moderately in 1963, reflecting the continued drop in sheep numbers.

Consumption of cigarettes is expected to continue to increase in 1963, but at slower rate than in 1955-61 when annual gains were mostly 3 to 4 percent. A further gradual gain in U.S. cigar consumption also is expected. On the other hand, no appreciable increase in use of smoking **tobacco** is in prospect for 1963, and use of chewing tobacco and snuff may continue a downward drift. Exports of unmanufactured tobacco in the year ending June 30, 1963, are expected to be below those of 1961-62.

With output from late summer and fall crops down 7 percent, supplies of **potatoes** available for winter marketings are smaller than a year ago. Potato prices into early spring are expected to continue above the depressed levels of a year earlier.

# THE FAMILY FARM, INC.

*A farmer may find incorporation advisable  
as a way of organizing his business*

Incorporating the family farm may be a wise move.

A farmer, like any other businessman, can organize his operation in several ways. He can run it himself, he can manage it with a partner, or he can incorporate. But here are some things he should consider before he decides.

Usually the family farmer is the sole proprietor of his business. As such, he needs no legal formalities. He is free to make his own decisions and personally responsible for his debts.

However, a sole proprietorship is difficult to transfer from one generation to the next. And when there

## Measuring Management Skills Keyed to Off-Farm Migration

The farm population has been moving off the farm at a rate of 3.5 percent a year for the past 10 years. The question is whether the remaining farmers are those with the most ability to manage a farm.

In order to find out, the economists are setting up some measures of management ability. The effect of inheritance of farmland is one. Does a man stay on the farm because he can make a go of it, or because he inherited the business?

Absentee ownership and rented farms would be another measure. Presumably, if a man has enough skill to farm his own land, plus additional rented acreage, he is a better than average manager of his business.

The level of education also helps to rate the population remaining on the farm. Does more education keep a man on the farm and make him a better farmer, or does it send him off for a better paying job?

is more than one heir, the farm business must often be sold after the death of the owner in order to divide the estate among the survivors.

A partnership is also hard to hand from father to son. Furthermore each partner is liable for all of the debts of the others. A limited partnership restricts debt obligations to the partner's investment but the limited partner cannot work for the firm.

When a farmer incorporates his farm operation, he can limit debt liability and still manage his own business. The farmer must hire an attorney to prepare the articles of incorporation and file them with legal authorities. This generally costs from \$300 to \$500.

Also, any corporation is required to have its records audited each year. However, the bookkeeping involved is often no more complex than for any other type of business organization and the process provides an accurate set of records for running the farm.

Some farmers incorporate because of tax advantages. Corporations currently pay a 30 percent tax on the first \$25,000 of taxable income and 52 percent on all income over \$25,000. If a farmer has a gross income of at least \$20,000 a year, it may pay him to incorporate. But the more deductions he has for dependents, the more money he has to make before incorporation is an advantage.

The chief value of incorporation, however, is in making it possible for farm families to share equally in an estate without dividing or selling the farm firm. By giving his family shares of stock, the farmer can pass the operation intact to a son who wants to stay on the land while giving other heirs a fair share of

the income from the farm.

Stock in the farm corporation can be given as gifts during the farmer's lifetime or willed to his family after death. If the son who remains on the farm wants to own the entire corporation, he can buy out other heirs in installment payments.

Usually a corporation's earnings are taxed twice—as corporate profits and again as dividends. However, under an amendment to the Internal Revenue Code in 1958, small-business corporations with 10 or fewer stockholders and one class of stock can elect to be taxed only once. Probably most farmers who have incorporated their businesses qualify as small-business corporations taxed on gross incomes.

Small-business corporations can still divert profits into nontaxable benefits.

### More Farm Loans

- Three major sources of farm-mortgage credit had roughly \$500 million more in loans outstanding on June 30 this year than a year earlier. Farm-mortgage loans held by 21 major life insurance companies, 12 federal land banks and the Farmers' Home Administration amounted to \$6.6 billion on June 30. This figure was \$6.1 billion at mid-year 1961.

- Borrowers of these farm mortgages paid \$163 million on the principal of their loans during second-quarter 1962, compared with repayments of \$149 million in April-June 1961. Rates of repayment were the same as a year earlier because total payments on mortgages and the value of outstanding loans each increased 9 percent.

- Interest rates charged on farm mortgages were unusually stable from July 1961 to July 1962. Ten of the federal land banks charged 5.5 percent, one asked 5.75 percent and one, 6 percent. The average interest rate on loans held by life insurance companies remained at about 5.8 percent during the 12 months. FHA continued to make farm ownership loans at 5 percent interest and rural housing loans at 4 percent.

**OUTLOOK for 1963:**

The early returns are in. And the figures indicate gross farm income for 1962 was 1 to 2 percent higher than in 1961. Economists based their estimates on the volume of farm marketings which kept pace with 1961 levels and farm prices which averaged about 1 percent higher during the year. Cash receipts ran about 2 percent above a year earlier.

Although cash receipts both from livestock and products and from crops are expected to be higher for 1962, the returns by commodities shifted. Larger receipts from sales of meat animals more than offset the slightly lower share from dairy products, poultry and eggs. For crops, indications are that receipts were down on fruits, food and feed grains. However, more cash probably will come from marketings of cotton, oil crops and vegetables.

Farmers also got a larger slice of their gross income from government payments this year. The

Wheat and Feed Grain Programs helped push the expected total for government payments to \$400 million above 1961.

Farm production expenses also crept up again in 1962. When the bills are all paid, they are expected to total \$27.7 billion above last year. This canceled the increase in gross, leaving realized net income at the 1961 level of \$12.8 billion. Although the index of prices paid by farmers has been about 1.5 percent higher than in 1961, larger purchases of goods and services for production were responsible for most of the increase. Usually, an average of 68 percent or more of gross farm income goes for production items. Two-thirds of these production inputs are purchased rather than produced on the farm.

A breakdown of the increase in expenditures shows that farm taxes were up 6 percent through September of this year. Interest on farm credit ran 5 percent higher. Wage rates increased 3 percent in the first three quarters of 1962 but the number of hired workers was down. The total wage bill should be around last year's total.

From January to October, prices paid for motor vehicles and farm machinery were higher than during the same period a year ago. Prices of fertilizer, building and fencing materials and farm supplies stayed near 1961 levels.

The prices farmers paid for production needs coming from farms—such as feed, feeder cattle and seed—have been higher in 1962.

After net income is divided up among the farm population, preliminary estimates place farm income per capita at \$1,430 this year, again breaking the record. Of this figure, \$926 was earned on the farm. The remaining \$450 came from off-farm employment. In 1961, net farm income per person reached \$1,373.

Net income per farm for 1962 is set at about \$3,370, up slightly from \$3,294 in 1961.

**New Oilseed Crop**

- Thanks to safflower's dual role as a food oil and as a paint dryer, acreage has expanded rapidly in the Great Plains and Far West. Plantings for 1962 were estimated at 600,000 acres, roughly 50 percent more than in 1961, and six times the 1957 acreage.

- The controversy over the amount of saturated fat in the American diet, while still far from settled, has helped increase the use of highly unsaturated safflower oil in a variety of food products. Its use as a food oil never went over 2 million pounds annually until last year when 45 million pounds went mainly into margarine and cooking and salad oils.

- In addition, the paint industry has found safflower oil to be ideal in white paint and some pastel shades. It is singularly colorless and nonyellowing as a dryer for paints and varnishes.

**OUTLOOK to 1967:**

More increases in farm output, continued reduction in excess stocks, more stable prices. These are forecast for agriculture through 1967.

These projections are made assuming no major change on the international scene, a continued strong foreign aid program and a healthy domestic and world economy for the next five years.

Even with continued restriction of production under legislation now in effect, agricultural output should increase another 6 or 7 percent in the next five years. This would average about 1.3 percent annually, slightly less than the projected annual growth in population of 1.5 percent. Consequently, total output and total use of farm commodities would be more nearly in balance by the end of 1967.

The number of farms and farm people will continue to decline and farm production efficiency further increase from 1962 to 1967; per capita farm income should also rise.

**Plant Nutrients**

- During 1961, Midwestern farmers used an average of 81 pounds of primary plant nutrients per acre of corn, 18 pounds more than in 1960. The three primary plant nutrients include nitrogen, phosphorous and potassium. Most of the increase was in use of nitrogen which rose from 24 to 35 pounds per acre.

- In comparison, the use of the three plant nutrients increased an average of only 2 pounds per acre annually from 1956 to 1960. All of this increase was in the use of nitrogen.

- In contrast to the per-acre figures, total use of fertilizer on corn for all farms in the Corn Belt increased only 5 percent over 1960. This was mainly the result of the cutback in corn acreage by farmers participating in the 1961 Feed Grain Program. Farmers in six selected study areas who signed up planted from 25 to 50 percent less corn than they did in 1960.

*Living in the country seems to add to the problems of older men and women*

## A CLOUDED COUNTRY SUNSET

Growing old seems to be more of a problem in the country than in the city.

A joint survey undertaken by the University of Kentucky and ERS suggests that men and women over 60 who live in the country take a dimmer view of old age than their city counterparts.

Half of the 1,200 men and women surveyed in 1959 lived in rural Casey County; the other half in Lexington. Oldsters in the country reported only a few more ailments than the report for the city showed.

However, the men and women who lived in the country considered themselves to be in far worse health. About three-quarters of the rural respondents said their health was worse than it was at 50; about half the men and women in the city thought so. Furthermore, over half the country people said their ailments were serious; less than a third of the men and women in the

city rated their health problems as serious.

Fewer rural than urban men were retired. Retirement for rural men was usually voluntary, but urban men usually retired because of reasons beyond their control.

A majority of both country and city men were dissatisfied with retirement, mainly because they missed their work and the income from work and because they missed the friendships which they had enjoyed.

Oddly enough, though poor health weighed more heavily on the minds of country oldsters than it did on men and women in the city, there was very little difference in the attitudes of the two groups toward their health needs. About 1 out of 5 in both groups said they needed additional health services.

Their feelings about health aside, the rural people surveyed were just generally more pessimistic about

the future than men and women in the city were.

A little more than half the rural group thought it best to live for today and let tomorrow take care of itself; about 4 out of 10 in the city thought so. And about half the country people thought life was getting worse; only a third of the oldsters in the city shared this view.

But despite the somewhat grim view of life held by old people in the country, the rural group was less concerned about finances, even though their incomes were, on the whole, far below the city average.

Even though the average 1959 income of rural men was only \$815, compared with \$2,256 for urban men, only 4 out of 10 of the rural men said that they had to do without things because they lacked money. The ratio was about the same in the city—3 out of 10.

Even so, the old folks in the country were a shade less apt to consider their financial problems serious than were city people.

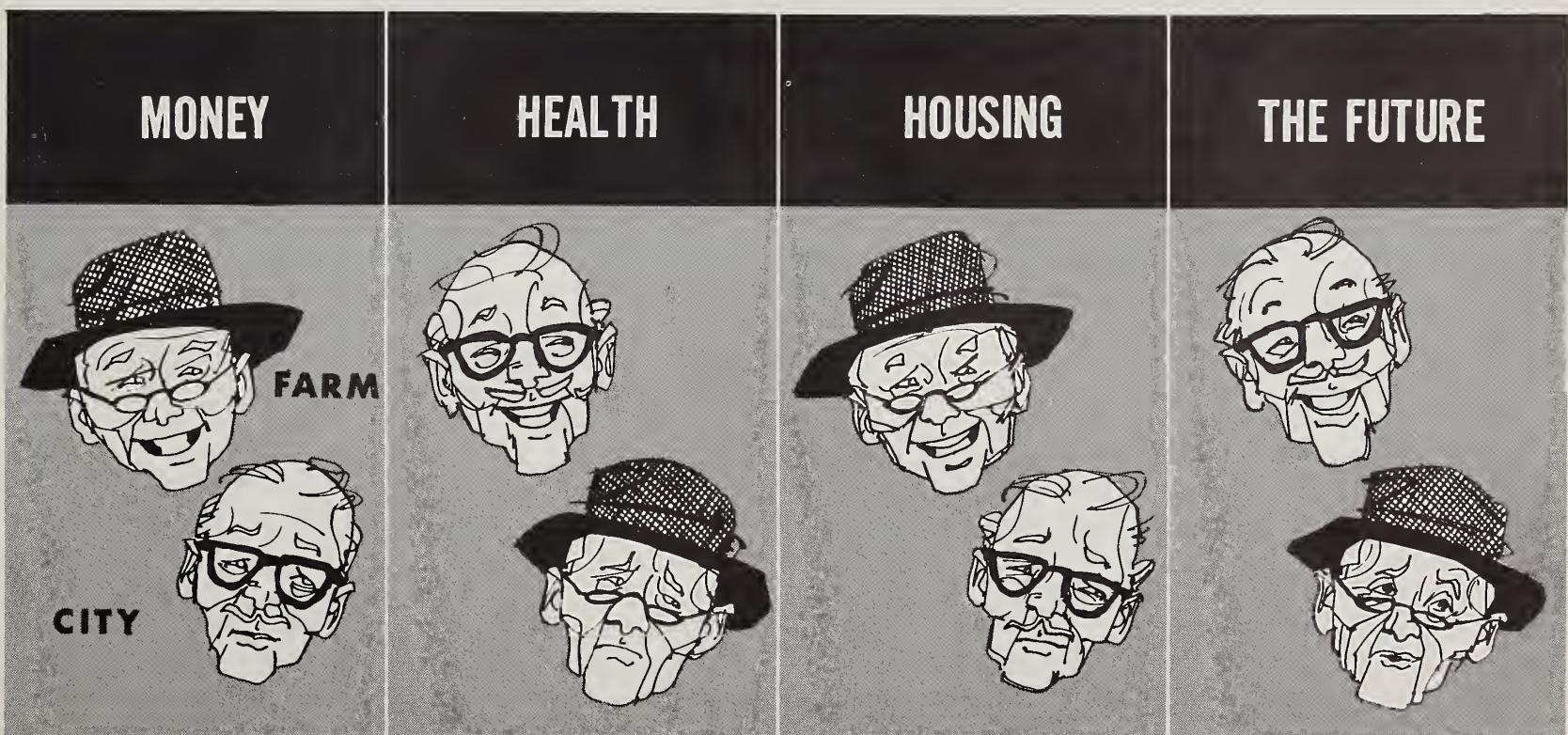
In the same vein of resignation the rural people were as satisfied with their housing as men and women in the city, even though housing for city people was generally rated far superior.

### MONEY

### HEALTH

### HOUSING

### THE FUTURE



## Growing Cities, Manufacturing and Military Plants Cause a Few Rural Counties to Increase Population

Despite the general drop in the rural population, some 353 counties, or 15 percent of all that could be termed rural in 1950, increased their populations substantially by 1960, according to a recent analysis of census figures.

The 353 counties had population increases of 15 percent or more, compared with a 16.6 percent natural increase for the nation as a whole.

Metropolitan cities adjacent to the counties were responsible for the population increase in 151 of the 353 rural counties.

Most of these 151 counties are on the Eastern Seaboard or in the Lower Great Lakes area. Thirty-six counties in this group became predominantly urban during the decade.

Manufacturing, the second most important influence, contributed to population increases in 137 of the 353 counties. Manufacturing was more apt to be a secondary cause of population growth than most other factors analyzed.

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### *Utah Collegians*

- A survey of 89 college freshmen from rural counties in Utah revealed that 20 percent had dropped out of school during the academic year. Another 17 percent said they didn't expect to return to college the following autumn. Two-thirds of the drop-outs were boys.

- Lack of money, low grades and military service were most often the reasons these students didn't return to college.

- Nearly all the students who planned to return to campus said they would go back to the same school. Half of them were attending a two-year junior college.

- The survey was made in spring 1961 by Brigham Young University in cooperation with ERS.

Added employment brought about by military installations helped to enlarge the population in 65 rural counties.

Other factors that helped to bring population growth to rural counties between 1950 and 1960 were: the expansion of dormitory type institutions such as colleges and hospitals; the increase in retirement communities and recreation activities; stepped-up farming; mining; commuting to small nearby cities; and dam construction. Some counties ceased to be rural by 1960 as a result of their growth.

A county was classified as rural if at least half the residents lived outside urban areas.

## Farm Tax Per Acre Moves Up; Alaskan Levies Increase Most

Taxes levied on farm real estate in 1961 totaled \$1.3 billion, an increase of \$78.6 million over the 1960 figure. Farm owners in three states—California, Illinois and Iowa—paid more than a fourth of this total.

Most farm real estate taxes are levied by local governments and averaged \$1.30 per acre in 1961, compared with \$1.22 in 1960. New Jersey continued to have the highest average tax rate at \$10.16 an acre in 1961. New Mexico remained the lowest in rank at \$0.15 an acre.

Taxes per acre were higher last year than in 1960 in every state except Rhode Island, which showed a small decrease. The greatest increase, 59 percent, occurred in Alaska where much farmland was reassessed last year.

Farm real estate taxes in 1961 were 8.6 percent of farmers' total net income. In 1960, the comparable figure was 8.8 percent. Taxes levied in 1961 were payable for the most part in late 1961 or early 1962.

## Average Age for Farm Regions Is Well Over Level for Cities

The country hick and the city slicker are stereotypes of a fading past. But, paradoxically, some differences between town and country have never been greater than they are today, when measured with the broad-gauge rule of the demographer.

Farm folks are now becoming older than city people. The relationship used to be just the reverse.

Mills County, a wholly agricultural county in central Texas, is a marked example of what has been happening. In 1940, the median age in Mills County was just under 28 years. The national median was 29. By 1960, the median for Mills County had soared to over 44 years, while the national median had risen by just a half year.

The number of young adults between 20 and 29 years of age in Mills County is now less than half as large as the 50- to 59-year group, and even considerably smaller than the oldsters between 70 and 79.

This rapidly aging rural population is the result of the farm-to-city migration that has been going on for the past several decades. And it is the young people who are leaving the country.

This migration has gone so far that the rate of deaths now exceeds the birth rate in some rural counties. A sprinkling of such counties began to appear in the mid-1950s in states like Missouri, Kansas, Kentucky, Oklahoma and Texas.

And as farming continues to call for more capital and machinery and fewer people, the out-movement is likely to continue.

Rural youth departing the farms in droves point up another difference between country and city. Rural areas are trying to think up uses for their land that will keep the population at home. Cities and their suburbs are trying to find ways of allocating their limited supplies of space among competing users.



## FOOD PROCESSING: IMPACT ON PRICES

The trend toward more processed foods has modified the map of agriculture in this country, with mixed effects on the entire industry, from the farm to the retail counter.

The increased use of processed foods often means the farmer can sell products he couldn't market otherwise. Processed foods are an outlet for lower grade fruits and vegetables, for example, that aren't up to fresh standards.

Processing may also help to increase the demand for farm products with possible higher returns to the farmer per unit of raw product.

On the negative side, a shift from fresh to processing markets can weaken some farmers' bargaining position.

Processing, with its need for large, uniform supplies, makes it all the harder for the small farmer to compete with the large one. However, the same thing is happening in the fresh market where chain

purchasers rely more and more on mass producers.

Coupled with this last effect is the gradual shift of some commodities to highly specialized, low-cost production areas. The movement has left many a producer stranded, unable to compete in the processed market, and unable to find as profitable an alternative enterprise.

To get an idea of how these broad trends affect costs and returns at the farm, market and retail levels, researchers chose four products for case studies. They collected data in 1959 and 1960 on beans, lemons, Florida oranges and potatoes.

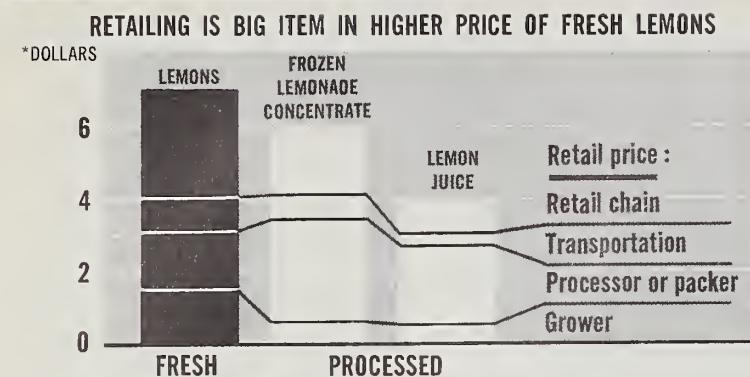
Snap beans are a prime example of how processing can result in a shift in production areas. Oregon, New York, Wisconsin and California produced 39 percent of the processed crop in 1940-49; by 1960, their share was up to 55 percent.

Growers' returns for snap beans marketed fresh amounted to \$2.42

per bushel. Snap beans for freezing returned \$1.69 per bushel to the farmer and beans for canning were worth \$1.44. However, yields averaged as much as 30 percent more per acre for beans grown for processing. Higher yields were generally the result of more suitable production areas.

For lemons, processing has provided an outlet for the expanded production of the past few years. During the 1950s, when production almost doubled, farm value for all lemons dropped by almost one-third.

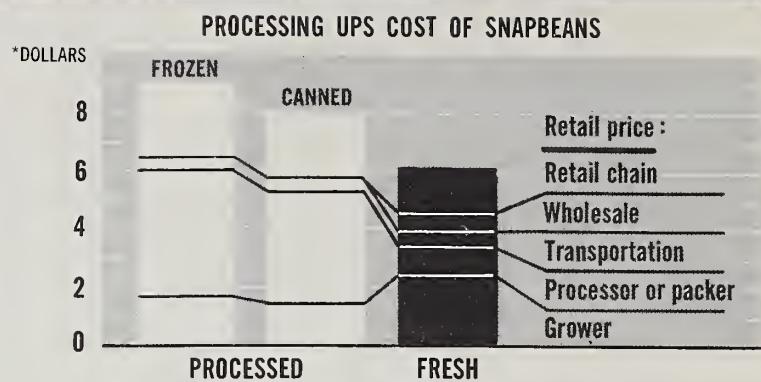
The quantity of lemons marketed fresh is limited. The remainder of the crop is processed. Returns to growers ranged from \$1.45 per carton of fresh lemons down to about \$0.54 for equivalent quantities of lemons used in processing during the study period. However, actual returns are based on a combined pool price for sales of both fresh



\*Based on prices in Washington, D. C., July 1959-June 1960,  
for quantities equivalent to 39.5 pound carton of fresh lemons.

U.S. Department of Agriculture

Neg. ERS 1517-62(10)



\*Based on prices in Washington, D. C., July 1959-June 1960,  
for quantities equivalent to 28 pounds of fresh snapbeans.

U.S. Department of Agriculture

Neg. ERS 1518-62(10)

and processed lemon products.

At the other end of the marketing chain, retail prices were \$7 for a carton of fresh lemons, \$6 for an equivalent quantity of frozen lemonade concentrate, and \$4 for single strength lemon juice. Part of the difference was in the cost of transportation. Transportation was only 15 cents per carton equivalent for the lemon juice, compared with 68 cents for lemonade concentrate and 91 cents for fresh lemons.

Florida oranges are the outstanding example of processing paying off all the way down the line—to farmer, to marketer and to the consumer.

Retail prices averaged 21.3 cents for a quantity of concentrate equal to 24 ounces of orange juice. Retail prices of canned orange juice and equivalent quantities of juice from

fresh oranges were a fraction of a cent to a cent more during the study period.

Processed orange juice brought higher returns to the grower. Florida growers got about 8.8 cents for oranges equal to 24 ounces of processed juice during the study period. They got about 2 cents less for equivalent quantities of fresh oranges.

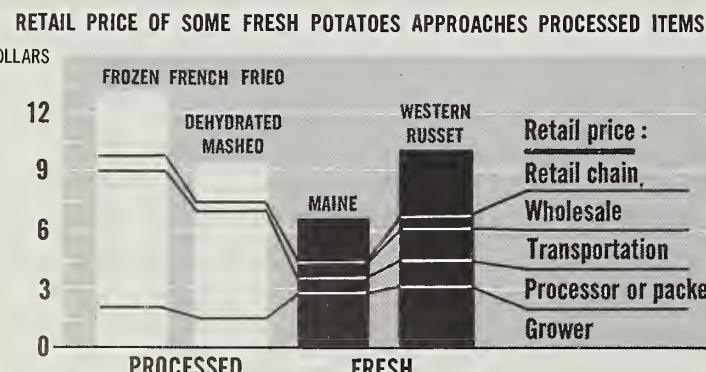
The key to the success of processed oranges is in the lower transportation costs for the processed juice, particularly concentrate, and also in the lower retail margins.

What processing can mean to the total consumption of some farm products can be illustrated with potatoes.

The existence of the processing industry—which takes over 25 percent of output today compared with

15 percent in 1956—has meant increased use of potatoes. With increased use of processed forms more than offsetting the decline for fresh potatoes, the long term drop in per capita consumption of potatoes has leveled off, and even risen a little. Barring a sharp rise in supplies, processing may mean greater total returns to the potato farmer.

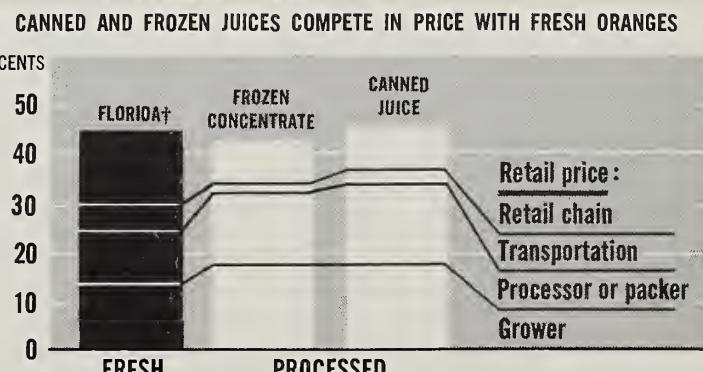
The trend to processed foods is more apt to speed up than slow down, if for no other reason than competition within the food industry. Generally a new form of processed food has the advantage on the grocery shelf only as long as it is new. When the venturesome shopper finds an even newer product, chances are she will buy it. Thus, the sound of the cash register impels processors to go on inventing new processed foods.



\*Based on prices in Washington, D. C., July 1959-June 1960,  
for quantities equivalent to 100 lb. of fresh potatoes at grower level.

U.S. Department of Agriculture

Neg. ERS 1519-62(10)



\*Based on prices in Washington, D. C., July 1959-June 1960,  
for quantities equivalent to 24 ounces of single strength orange juice.

†November 1959-June 1960

Neg. ERS 1520-62(10)

## Competition in Hide Industry Calls for Greater Efficiency

The hide industry is under pressure to cut costs and improve the quality of its product as livestock slaughter increases and the demand for leather slackens.

In the long run, the industry may be able to develop new uses for leather which will help to strengthen its markets. Meanwhile, one of the best opportunities for improving products and increasing profits lies in a more efficient and economical curing process.

A recent economic study of hide curing operations recommends a shift to the agitated brine method for curing hides, instead of the more traditional methods of pack salting, providing a firm cures over 300 hides daily.

In a survey of 21 curing plants, operating costs for the agitated brine method were \$1.59 per 100 pounds of hides (net shipping weight), while pack salting costs were \$1.87 per 100 pounds.

With roughly the same fixed costs for the two methods, the greatest saving is in the cost of labor, about 33 cents less per 100 pounds for the agitated brine method.

Here's the cost breakdown for the two methods:

Fixed costs for pack salting were 26 cents. The variables were labor, 93 cents; salt, 33 cents; maintenance, repairs, utilities and plant supplies, 8 cents; supervision and administration, 24 cents; and office and selling costs, 3 cents. It adds up to \$1.61 for variable costs, or a total cost of \$1.87 per 100 pounds for pack salting hides.

Fixed costs for the agitated brine method were also 26 cents. Labor, the biggest saving in the variable costs, was 60 cents. Salt costs were 29 cents; chemicals, 8 cents; maintenance, repairs, utilities and plant supplies, 17 cents; supervision and administration, 16 cents; and the cost of the office and selling force, 3 cents. Total variable costs were

thus \$1.33 per 100 pounds of cured hide and total costs \$1.59.

In-plant costs and efficiency are only one part of the picture, however. Quality is important too, and quality, for the hide curing industry, is beginning to mean fleshed hides.

Last year fleshed hides accounted for nearly 30 percent of sales; five years ago the process was unknown. Fleshed hides generally are preferred by tanners, who are willing to pay a premium for the product.

Fleshed hides have other advantages, too. Clean of foreign matter like fat and manure, fleshed hides are easier to grade, and easier and less expensive to ship.

### OUTLOOK for 1963:

Prices for farm foods at the grocery store may run a little less in 1963 than they did this year, largely because of slightly lower farm prices. Unit charges for marketing should be about the same.

The farmer's share of the consumer's farm food dollar is expected to average 38 cents in 1963, the same as in 1961 and 1962.

Marketing charges on a unit basis have been running about the same in 1962 as they did a year ago. They increased every year between 1951 and 1961.

Labor and other operating costs of marketing firms probably will stay close to present levels in the year ahead. Improvements in output per manhour may keep unit labor costs from increasing, even though employee hourly earnings continue to rise.

Prices of containers and packaging material, fuel and other goods and services bought by marketing firms have been generally stable in the last year or two. Transportation rates are unlikely to rise and may even decline slightly in 1963.

Retail prices averaged about 1 percent higher in the third quarter this year than a year earlier. The average for the first nine months

was about the same in 1962 as in 1961.

Total net profits of corporations manufacturing food products were a little higher in the first half this year than in the same period of 1961. Profits of firms manufacturing textiles and apparel were up sharply this year, after declining in 1961. Total profits of leading retail food chains as a group totaled about the same in the first half of 1962 as a year earlier.

The volume of farm products marketed next year is expected to total a little larger than this year's high level, unless weather conditions are unfavorable.

Manufacturers' production and sales of foods and beverages in the first nine months of this year were slightly larger than during the same period of 1961.

Output and sales of textile products are up substantially this year. In the first nine months of 1962, dollar sales of retail food stores were 4 percent larger than in the comparable months of 1961.

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- **A Million Tons Sweet**
- About a million tons of sweeteners—cane and beet sugar and corn sirup—went into the making of processed fruits and vegetables in 1961.
- Of the sweeteners used, over 85 percent was cane or beet sugar. Corn sirup was close to 12 percent, and corn sugar amounted to about 2.5 percent of the total.
- Processors of fruits and vegetables are taking an increasing share of all sugar and other sweeteners used in the United States. In 1952, canners, freezers, and other processors used some 7.7 percent of all sweeteners; in 1961 the figure was up to 9.6 percent.
- The use of corn sirup by fruit and vegetable processors more than doubled between 1952 and 1961, a far greater rate of increase than for the other sweeteners. Sugar showed a gain of nearly 50 percent. The relative share of the market supplied by corn sugar remained about the same during the decade.
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# BOLIVIAN LAND REFORM

*Latin Alliance plan stresses need to raise farm income and productivity*

Bolivia in just 10 years has largely completed its land reform program. The big haciendas have been broken up. Tenant farmers who once worked without pay for the landowner, in return for use of a small garden plot, now have their own farms. Still remaining, however, is most of the necessary land survey work and the issuing of titles to the new landowners.

More and more, the Indian campesinos are pressing the government for services they feel they have been too long without—better agricultural credit, rural education, technical aid, marketing systems, roads and communications.

The Bolivian government recognizes these needs. In fact, Bolivia was one of the first Latin American countries to work out a 10-year development plan for agriculture under the Alliance for Progress.

The plan calls for:

- Increasing the productive capacity of the new 300,000 small and medium-sized farms resulting from the land reform, which in turn will increase the farmers' level of living.

- Making the country self-sufficient in those food and fiber crops that can be grown successfully.

- Stepping up the volume of present farm exports, by expanding foreign markets, improving product quality and developing new crops for export.

Some of the disruptions caused by land reform are being overcome. However, many major problems still remain. In the beginning, there was confusion over land distribution—who was to get which land and how much. The campesinos, accustomed to taking orders, had little experience in farm management. Agricultural credit and other service institutions, long keyed to the need of the big land-

owners, were not available for the small-scale operators.

As a result, there was an actual decline for several years in national production of some cash crops compared with the former output under the plantation system.

## Silos Are Underground Magic To Bolivia's Altiplano Farmers

Winters on the high, rocky Altiplano of Bolivia are long and dry, with little forage for livestock on the scrubby tableland. Indian farmers usually lose many of their animals every year to starvation or hunger-related diseases.

Some two years ago the U.S.-Bolivian agricultural experiment station at Belen invited farmers of the Altiplano to a demonstration.

Station technicians ran alfalfa, oats and barley through a field chopper, packed the forage into a ground silo, and covered it with earth. In such a silo, they explained, farmers could store feed for the coming winter.

The handful of farmers who showed up were skeptical, even amused. Only one was impressed enough to go home and dig his own silo—with help from station technicians and their machinery.

When winter came and neighbors suffered the usual livestock losses, the enterprising farmer opened his silo and began bringing out feed for the season. Neighbors watched as this magic hole kept the farmer's sheep and llamas alive and healthy.

The following year three neighbors dug their own silos. This year many more will be storing feed.

Last September, Bolivia's Minister of Agriculture launched a broad campaign to encourage construction of ground silos.

## Thailand Adds Land and Crops To Increase Exports \$150 Million

While other countries have relied on multi-year development programs, Thailand, largely without benefit of formal economic plans, has upped its national farm income by 60 percent in the past six years and increased farm exports.

Between 1958 and 1961, Thailand increased its agricultural exports from \$325 million a year to \$475 million.

These are some of the highlights of a recent ERS study of Thai agriculture prepared under an administrative fellowship at Harvard.

Although the Thai adopted a six-year plan for economic expansion in 1961, their forward burst of speed had begun several years previously, largely as the result of agricultural diversification.

Rice production, long the mainstay of the Thai economy, has expanded 14 percent in the past decade, but output of all other crops has jumped 180 percent. Corn, cassava and kenaf are the leading crops in this rapid expansion.

Benefits of diversification can be seen in Thai trade with Japan. Between 1955 and 1958, Japan decreased its share of Thai exports from 18 percent to 10 percent, as the Japanese approached self-sufficiency in rice. The trend reversed itself however, as the burgeoning livestock industry in Japan called for more and more corn from Thailand. In 1960, the Japanese once again were taking 18 percent of Thai exports.

By 1961, Thailand, long a leading rice exporter, had also become a leading supplier of corn in the world market.

Increased output and diversification of crops have not, however, taken place at the expense of traditional crops. Instead they have been an addition to national output, and have come about largely through reducing seasonal unemployment and cultivating more land.

## OUTLOOK for EXPORTS:

Exports of U.S. agricultural products for the year ending June 30, 1963, will probably be about the same as last year's record of \$5.1 billion. Volume is expected to remain steady, nearly equaling the high-point of fiscal 1962.

Export levels should be up for dairy products, cotton, some canned fruits, vegetables, rice and oilseeds. Lower exports are likely for poultry meat, wheat and feed grains, partly on account of larger foreign supplies of grains, and partly because of import regulations imposed in July by the European Economic Community.

The United States will also continue to push its foreign market promotion program. The program should help farm exports benefit from increased consumer purchasing power in the leading dollar markets.

For countries that lack sufficient dollars, exports will be made available under U.S. government-financed export programs. Export assistance, largely through export payments, will also help certain U.S. farm products compete in world markets.

On the darker side, farm exports during fiscal year 1963 may begin to feel the pinch of the Common Agricultural Policy (CAP) of the European Economic Community. Wheat flour and poultry are export commodities most apt to be hit by the CAP.

The most important aspect of the CAP is the system of variable import levies. The variable levies are designed to offset the difference between world prices of commodities and desired prices in the Common Market. More than one-fifth of U.S. agricultural exports went to Common Market countries in 1961-62.

Dollar sales and government program shipments include exports of some commodities with government assistance, principally in the form

of export payments in cash or in kind. For 1961-62 an estimated \$2 billion of the \$5.1 billion U.S. total moved this way, nearly equally divided between dollar sales and government-financed programs.

Looking beyond the end of fiscal year 1963, export prospects for U.S. farm products are encouraging.

During the post-war years, world trade in agricultural products has increased faster than world population. Trade has also increased faster than world production of agricultural products.

The U.S. share of this expansion in world trade has been on the increase, especially since 1954-55. The increase in U.S. trade was generally the result of greater purchasing power in economically advanced countries, and the introduction of the P.L. 480 program to sell agricultural products in exchange for local currencies.

## OUTLOOK for IMPORTS:

U.S. agricultural imports, essential to our high standard of living, rose to \$3.8 billion in fiscal 1962, slightly above the 1960-61 level. Supplementary (partly competitive) imports gained 13 percent in value and 15 percent in quantity; complementary (noncompetitive) items fell 6 percent in value but increased 1 percent in quantity.

Half of our agricultural imports consist of competitive products such as sugar, grains, tobacco, cattle, meat, apparel wool and other items similar to U.S. farm products.

While U.S. agricultural imports and exports have both been on the rise, competition in world markets has also been increasing.

By the end of 1960-61, exporters selling products competitive with ours increased their sales 6 percent over the previous year. In terms of 1952-54 average prices, such shipments rose to \$20.2 billion in 1960-61 from \$19.1 billion in fiscal 1960.

World exports totaled a record \$33 billion in fiscal 1961.

## Peiping Shuns Technical Help Available Outside Bamboo Curtain

Could Red China ever produce enough food for a population presently increasing at the rate of 10 to 15 million a year? Even under the best political conditions?

Some experts say yes. Others say, yes, but only if population growth can be controlled. Any affirmative answer, however, assumes a thorough overhaul of Chinese agriculture. This means new technology, new breeds of livestock, new plant strains, along with chemical fertilizers in massive doses, insecticides and irrigation facilities.

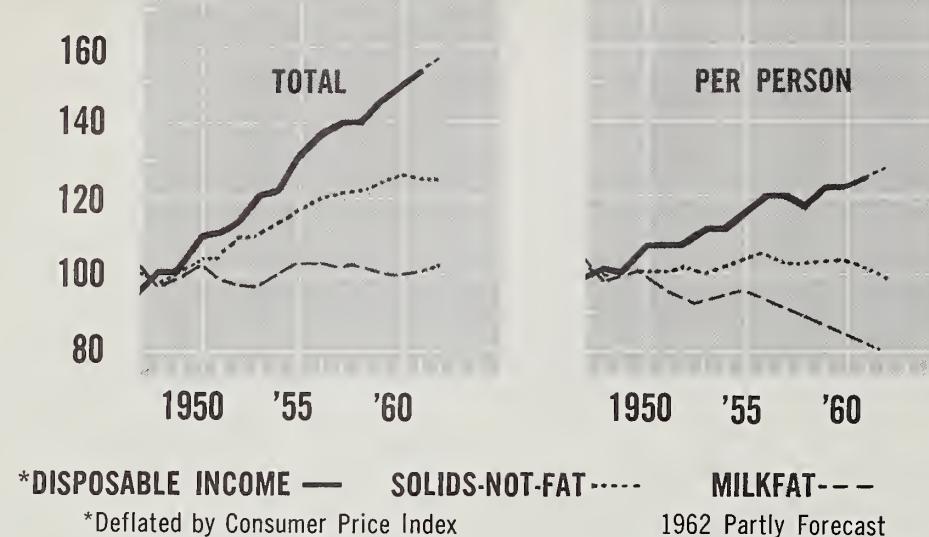
How-to-do-it examples are readily available just beyond the Bamboo Curtain. Japan, Formosa and Hong Kong's New Territories, for instance, have developed high-yield crops and stronger livestock breeds that could be produced in Red China. Free-world trained technicians are also available to show Chinese farmers how to get the most out of new farm technology.

The communist Chinese recognize the need for such innovations, but overriding political issues are blocking the flow of technology and necessary materials to the mainland.

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- *New Foreign Weekly* •
- Beginning the first week in January, the Foreign Agricultural Service will issue a new weekly magazine, *Foreign Agriculture*. •
- The new magazine combines the periodical of the same name, issued monthly for 26 years, and *Foreign Crops and Markets*, a weekly published for 43 years. •
- The combined publication will emphasize current news on world agricultural production, markets, programs and policies. •
- To subscribe, write to the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. News media, libraries and others eligible for the magazine's free mailing list should write to FAS, Room 5918, U.S. Department of Agriculture, Washington 25, D.C. •
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## OUTLOOK for 1963:

PER CENT OF 1947-49



\*DISPOSABLE INCOME — SOLIDS-NOT-FAT ----- MILKFAT ---

\*Deflated by Consumer Price Index

**MONEY AND MILK:** Though we made more money in the first half of 1962 than in 1961, we bought less milk. Our total consumption of milk solids-not-fat continued to level off, after rising for more than a decade, and individual consumption dropped.

U.S. Department of Agriculture

Neg. ERS 1522-62(10) Economic Research Service

ERS economists say year-end figures will probably show Americans spent 3.5 to 4 percent more on food in 1962 than we did last year.

Spending was up, first, because we upgraded our diet and increased our use of marketing services. Second, there were more of us—population rose about 1.6 percent during the year. Third, retail food prices were almost 1 percent higher this year than last.

But we had more money to spend. Our disposable personal income, that is, income after taxes, was up about 5 percent compared with 1961.

With modest gains in both personal income and the demand for food, consumers will probably again up their spending for food in 1963, but not as much as they did this year.

Larger beef supplies should provide about 1 pound more per person this year than last. But some increase is also expected in demand and retail prices may run about the same or slightly higher than in 1962.

More pork on the market next year may lower retail prices a little below 1962 levels.

As 1963 begins, stocks of frozen turkeys will be smaller than a year ago, and prices probably higher in the first half of the year.

Despite the likely seasonal drop, egg prices may average higher from January to April than in the same period of 1962. Milk prices, on the other hand, should be lower in the first quarter compared with a year ago, but the rest of the year milk may average about the same as 1962.

Fresh apples and lemons should cost a little more, oranges a little less, and most other fruits about the same in the first half of 1963 as in the same period this year.

Larger carryover stocks and a larger pack will probably mean slightly lower prices for canned vegetables into mid-1963.

## LESS MILK IN AMERICAN DIETS

Americans consumed nearly 60 billion pounds of milk in the first half of 1962, and we drank more than half of it. We ate about 28 billion pounds of milk in the form of butter, cheese, ice cream and other manufactured dairy products.

Nevertheless, we bought for consumption and exported about 2 percent less milk in terms of milk fat in the first half of 1962 than we did between January and June a year earlier. This despite the fact that more of us were working, we had more money to spend and milk prices were about the same or even a little lower. It's too early to tell whether the January-to-June consumption figures are a more than passing trend, but it is true that the per person intake of milk-fat has been on the wane since 1955. And since 1959 our consumption per person of nonfat milk products has slipped a little too.

However, with a slowly rising population, our total use of milk has, until recently, been riding along at roughly the same rate.

While use was falling off, production continued to rise and exceeded commercial demand. Government purchases of dairy products under the price support program jumped sharply and stocks mounted.

Milk production has tended to outrun commercial use for some time. Output increased from 106 billion pounds a year in 1935-39 to an estimated 126.5 billion pounds for 1962. In the same period, total civilian and military consumption of milk increased only 17 billion pounds to the estimated level for 1962 of 120 billion pounds of milk equivalent, a gap of around 6.5 billion pounds below production.

By the end of this year, government-owned stocks of manufactured dairy products may be around 8.5 billion pounds, milk equivalent. Excess production has cost the government about \$285 million per marketing year since 1953-54, and may cost over a half billion dollars before the end of this marketing year.

# RECENT PUBLICATIONS

Single copies of the following publications are available free from the Division of Information, MOS, U.S. Department of Agriculture, Washington 25, D.C.

A COMPARISON OF CROPPING SYSTEMS FOR THE WASHINGTON-IDAHO PALOUSE AREA. Roland Bevan, Idaho Agricultural Experiment Station; Walter W. Pawson, Farm Economics Division, USDA; and Owen L. Brough, Jr., Washington Agricultural Experiment Station. Idaho Agr. Expt. Sta. Bul. 390.

The choice of a cropping system is one of the important farm management decisions on Palouse farms. This bulletin was prepared to aid farmers who are comparing possible cropping systems for their farms. It compares seven possible rotations both with and without government wheat acreage restrictions. The net returns from the several rotations or cropping systems possible for the area will vary by several thousand dollars on a representative farm.

PRODUCTION REQUIREMENTS, COSTS AND EXPECTED RETURNS FOR CROP ENTERPRISES: HARDLAND SOILS—HIGH PLAINS OF TEXAS. D. S. Moore, K. R. Tefertiller, Texas Agricultural Experiment Station, and W. F. Hughes and R. H. Rogers, Farm Economics Division, USDA. Texas Agr. Expt. Sta. MP-601.

Budgets are developed showing potential production levels and costs and returns on a per-acre basis for major crop enterprises at different levels of irrigation. Production levels and costs vary somewhat from farm to farm because of differences in management, climate, irrigation facilities and size of farm unit. Nevertheless, data on recommended production practices can be highly useful to farmers in evaluating enterprises on their farms.

A TECHNICAL-ECONOMIC EVALUATION OF FOUR HIDE-CURING METHODS. Konrad Biederman, Herman Nack, M. B. Neher, and Odin Wilhelmy, Jr. AER-16.

To provide economic data that might help the hide industry maintain and expand markets for their products, the USDA contracted with Battelle Memorial Institute, a private organization, to study and evaluate four hide curing processes. Data were obtained on the costs, labor, and equipment requirements from 21 hide firms curing hides by pack salting, agitated brine curing, brine curing of fleshed hides by the pit method and agitated brine curing of fleshed hides. An important conclusion of this study is that no single curing method is consistently the most efficient and that volume is important to the choice of method. (See p. 11, this issue.)

## 1963 Chartbook

- The 1963 *Agricultural Outlook Chartbook* is now available. This year's chartbook is issued jointly by the Economic Research Service, Statistical Reporting Service, Foreign Agricultural Service, and Agricultural Research Service. The book presents essential economic data which helps farmers, and the people who work with them, do a better job of planning production and marketing. The first USDA Agricultural Outlook Conference was held in 1923 and the first Outlook Chartbook appeared in 1928.
- Copies of charts and maps are available in individual slides, filmstrips, positive photostats, or photographic prints for use in publications or for meetings or classes.
- Single copies of the book are available from the Division of Information, MOS, U.S. Department of Agriculture, Washington 25, D.C.

IMPORTANCE OF U.S. FARM EXPORTS TO BALANCE OF PAYMENTS. McGehee H. Spears, Development and Trade Analysis Division, ERS, and Dale K. Vining, Foreign Agricultural Service. FAER-7.

This report investigates the significance of farm exports to the agricultural sector of the U.S. economy, examines the U.S. government farm export program and explores the importance of exports to the U.S. balance of international payments. The percentage of farm originating gross product that was exported rose from 12 percent in 1951 to 14 percent in 1960. All farm exports are recorded in the nation's balance of payments as dollar earnings. In the fiscal year ending June 30, 1961, almost one-third of farm exports—\$1.5 billion of a total of \$4.9 billion—was sold for foreign currencies, donated, or bartered. In fiscal 1961, farm exports produced 15 percent of total farm cash receipts.

NIGERIA—DETERMINANTS OF PROJECTED LEVEL OF DEMAND, SUPPLY, AND IMPORTS OF FARM STOCKS IN 1965 AND 1975. Prepared for the Economic Research Service and the Foreign Agricultural Service under contract with the University of Edinburgh, Scotland. ERS-Foreign-32.

By 1965 the Gross Domestic Product of Nigeria is expected to lie between \$3,100 million and \$3,800 million compared with \$2,500 million in 1957; by 1975 the G.D.P. is placed at \$4,500 million to \$5,000 million. Average per capita income, about \$73 in 1957, is estimated at \$85 in 1965 and \$95 in 1975. Nigeria can be expected to want to purchase more imported agricultural products. The country's ability to do so will depend on the ease or difficulty with which foreign exchange can be obtained.

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A SURVEY OF CZECHOSLOVAK AGRICULTURE. Alexander Bernitz, Regional Analysis Division, USDA. ERS-Foreign-38.

Before World War II, Czechoslovak agriculture was predominantly privately owned. Now about 80 percent of the agricultural land is socialized, either in collectives or state farms. Agricultural production accounts for a little over 10 percent of the national income today compared to about 23 percent for prewar. Prewar Czechoslovakia was generally self-sufficient in the production of foodstuffs. At present it is importing bread and feed grains, animal products and cotton. Sugar, hops and malt continue to be the principal agricultural exports.

TRUCK CROP PRODUCTION PRACTICES—BROWARD AND PALM BEACH COUNTIES, FLORIDA. Earle E. Gavett, Farm Economics Division, USDA. ERS-79.

Data on truck crop production in these two important Florida counties were obtained late in 1959. Information was obtained by personal interviews with 146 farm operators. The report presents information on six vegetables grown for the fresh market—snap beans,

cabbage, sweet corn, eggplant, sweetpeppers and squash.

RURAL NONFARM FAMILIES IN THE CLAY-HILLS OF MISSISSIPPI—INCOMES AND RESOURCES. Herbert Hoover and John C. Crecink, Farm Economics Division, USDA. Mississippi Agr. Expt. Sta. Bul. 648.

The number of rural nonfarm families in the Clay-Hills area of Mississippi is increasing rapidly while the number of farm families is declining. There are two distinct groups of rural nonfarm families: Those who depend primarily upon off-farm work income for their livelihood, and those who depend primarily upon income transfer payments, rents and retirement payments for their livelihood. Members of the first group generally are younger, have more formal education and have larger incomes than the second group.

COSTS OF PROCUREMENT AND ASSEMBLY OF EGGS IN THREE MIDWESTERN STATES. Robert M. Conlogue, Marketing Economics Division, USDA. ERS-92.

This study was designed to find more efficient ways to procure and assemble eggs. Procurement poli-

cies and assembly routes of seven Midwestern firms were studied during 1959 and 1960. The report shows that many Midwestern plants can realize savings of 15 to 45 percent in the cost of assembling eggs for marketing.

STATISTICS ON FERTILIZER CONSUMPTION IN NORTH DAKOTA. Stanley W. Voelker, Farm Economics Division, USDA, and Marvin T. Nordbo, North Dakota Agricultural Experiment Station. North Dakota Agr. Expt. Sta. Agr. Econ. Rpt. 25.

An important technological development in North Dakota agriculture during the past decade has been the substitution of fertilizer for land and other capital. Consumption of fertilizer increased about tenfold from 1951 to 1961.

ECONOMIC EFFECTS OF ACREAGE CONTROL PROGRAMS IN THE 1950S. Raymond P. Christensen and Ronald O. Aines, Farm Economics Division, USDA. AER-18.

This report reviews experience during the 1950s with government programs designed to influence farm production and resource use through establishment of controls on land inputs.